**SURVEY: Top Money Myths Affirmed by Recent College Graduates**

**Gens X, Y & Z Unrealistically Optimistic?**

May 21, 2019 – New York, NY – **88% of college graduates under 30 strongly believe they will live as well or better than their parents**, (contrary to [available evidence](https://www.cbsnews.com/news/millennials-are-much-poorer-than-their-parents-data-show/)), according to a new survey of 21-30 year-olds conducted by The NHP Foundation, a not-for-profit provider of affordable housing. That is true even for many of thosesaddled with student loans. Other responses include:

**55% have student loans, 10% owing more than $50k, yet nearly 40% (38.8) expect to pay their loans off in 1-3 years.** In truth, although standard repayment “puts borrowers on a 10 year track” according to [this report](https://www.thebalance.com/how-long-does-it-take-to-pay-off-student-loans-4588027), the average bachelor’s degree graduate actually takes 21 years to pay off loans.

**89% of the cohort are comfortable renting a home vs. owning for the foreseeable future, though 60% fully expect to be able to “afford the kind of housing they most prefer” in 1-5 years.**

**70% of respondents consider home ownership “important” to “very important”.** [Some research](https://qz.com/1514458/the-renter-generation-is-a-myth-young-people-lead-us-in-buying-homes/) shows that home ownership is more achievable than previously thought for “Generation Rent” (young adults who, because of the high cost of home ownership, stagnant wages, and toxic debt, live in rented accommodations for longer periods than previous generations).

However [other economists believe](http://fortune.com/2019/01/12/real-estate-market-millennials/) that prices will continue to rise, as the construction industry under-builds (rather than increasing density) or incorrectly builds for this demographic. As a result, there will be too many large, expensive homes located in the suburbs and not enough smaller, more affordable for-sale units in the cities that this generation has gravitated to. In addition, it is much harder for younger works to qualify for home loans.

**46% of graduates expect to live on their own, paying rent with no help from roommates or parents.** The truth is, today, according to [US Census data](https://www.marketwatch.com/story/more-recent-graduates-are-living-at-home-than-ever-before-2018-05-08), more recent graduates are living at home than ever before. In markets like New York, Miami and Los Angeles, grads back under the family roof can number as high as 45%.

Amidst this unbridled optimism, some responses are much more in touch with reality. For example, 66.6% expect to spend more than 30% of their income on rent.

“We were surprised to learn that 54% of these young graduates know that they could potentially qualify for affordable housing under [HUD’s definition](https://www.hud.gov/program_offices/comm_planning/affordablehousing/),” stated Richard Burns, President & CEO of The NHP Foundation. “This helps us understand how we need to consider housing to suit these renters, who may be in apartments for longer than they think.”

Affordable housing, long thought of as the purview of the very poor is fast becoming the housing need for many demographics – graduates on tight budgets, Baby Boomers caught in an economic squeeze and many middle income families whose paychecks can’t always cover housing and healthcare.

This reality is a wake-up call for housing providers and those who invest in its construction. “Generation Rent” expects to lives as well or better than their parents. Affordable housing can provide a necessary stepping stone for this most optimistic demographic.

About The NHP Foundation
Headquartered in New York City with offices in Washington, DC, and Chicago, IL, The NHP Foundation (NHPF) launched on January 30, 1989, is celebrating its 30th year as a publicly supported 501(c)(3) not-for- profit real estate corporation.  NHPF is dedicated to preserving and creating sustainable, service-enriched multifamily housing that is both affordable to low and moderate income families and seniors, and beneficial to their communities.  NHPF also provides a robust resident services program to nearly 18,000 community residents. Through partnerships with major financial institutions, the public sector, faith-based initiatives, and other not-for-profit organizations, NHPF has 52 properties, with more than 8,000 units, in 15 states and the District of Columbia.